

Manage



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ONLY!

IN THIS issue, MANAGE proudly announces and salutes the first winner of The Management Team of the Year award with a story about scrap. It was written by a member of the victorious team and is addressed to NAF members and clubs at large.

The winning team has made an amazing contribution to the good health and future of its company by reducing scrap loss. Instead of merely citing the accomplishment with facts and figures, the club member tells how you can approach the problem. It's entirely possible that this year's winner is showing the way to the next.

Outside of the Guaranteed Annual Wage, Automation has been the hottest issue in industry this year. It's difficult to understand what all the uproar is about once you read "The Roots of Automation" by D. C. Burnham, vice president of manufacturing at Westinghouse. Mr. Burnham tells how Automation came about and where it's taking us with a simple presentation of fact and logic. Be sure to read it on page 19.

In addition, Dean Sims has some observations and comment on the hotter issue, GAW, in his editorial on page 6.

The cover theme of this issue is vacation time. We've carried the point still further with an artistic description of a "Compleat Golfer" on pages 34 and 35. If you meet this character, we suggest you run for the nearest bomb shelter.

Bill Freeman wrote his "Business Notebook" column for this issue in Rome during a tour of Europe. Shortly after he mailed his dispatch, he departed for France. In the next issue he will give you some of his observations on business and industry in Europe.



Harrison Beardsley

MANAGE

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Editor
Dean Sims

Managing Editor
Harrison Beardsley

Educational Editor
William Levy

Circulation Manager
Jean B. Adams

Research Editor
Norman George

Editorial Assistants: Georgia Allen, R. F. Monsalvage Jr., Eldon Frye

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Loyalty

If you work for a man, in heaven's name, work for him. If he pays wages that supply you and yours bread and butter, work for him, speak well of him, think well of him, stand by him, and stand by the institution he represents. I think if I worked for a man I would not work for him a part of his time, but all of his time.

I would give undivided service or none. If put to a pinch, an ounce of loyalty is worth a pound of cleverness. If you must vilify, condemn and eternally disparage, why, resign your position, and when you are outside, damn to your heart's content.

But, I pray you, so long as you are a part of an institution, do not condemn it. Not that you will injure the institution, not that, but when you disparage the concern of which you are a part, you disparage yourself.

—Elbert Hubbard

Editorial Memo

FROM THE EDITOR

SUBJECT: Management

GUARANTEED WAGES AND SUPERVISION

FIRST-LEVEL MANAGEMENT—supervision—has been on the sidelines to the most significant labor-management negotiation in the history of our industrial system. The results are being viewed by supervision with mixed feelings.

The question of prime interest is, of course, "What will the guaranteed wage commitments of Ford Motor Co. and General Motors Corp. do to supervision?"

Our editorial comment is this: The guaranteed wage policy now established by the auto industry will strengthen the managerial position of all supervision.

The lines of communication between executive management and supervision will be strengthened, as the management authority of supervision takes on a new importance.

Most money for the guarantee of wages must come from increased production and production efficiency, rather than from increased selling prices. The responsibility for that is mostly supervision's.

A new set of standards for supervisors is in the making. Tomorrow's supervisor will have to be twice as well-qualified to play on his management team as just ten years ago.

If the guaranteed wage is to be put into effect in American industry, without breaking the back of our economy, it must be done with the best-qualified industrial management teams ever seen in any free enterprise system.

The acceptance of the guaranteed wage principle by the auto industry has done more to clearly establish supervision in management than any single act in our country's history—including the Taft-Hartley Act.

The lure of collective security will be greater, but so will the rewards of individual initiative.

If we are to take such a social-economic stride, it is good that industry, not the Government, is providing it. The manner in which Ford and General Motors handled this guaranteed wage business is a great defeat for welfare statism and, of course, communism.

What it will do to the initiative and self-respect of the working man and woman remains to be seen, but supervision must try to be optimistic.

ON HORATIO ALGER, JR. AND FOREMEN

SECRETARY OF DEFENSE Charles E. Wilson, one of the NAF's early "National Management Man of the Year" honorees, pointed out the other day that we are saying too much about the rising power of the Soviets and too little about our own strength.

This remark was precipitated by President Eisenhower's statement that we sometimes talk and act as if we believe every Russian to be 14 feet tall.

This kind of introspective comments reminds us that we encounter the same problems in management (or, for that matter, in almost anything). Maybe it is because we all look for reasons to feel a little sorry for ourselves. But for our purposes, we are interested in the "management angle."

If most of us spent as much time preparing ourselves for the opportunities of tomorrow, as we do worrying about the imaginary obstacles lying between us and those opportunities, we would have far fewer real obstacles. (Even discounting the dangers of over-confidence, you cynics.)

That is where so many management groups are making some of the proverbial hay for free enterprise. Never in our country's industrial history, I would wager, has any profession been developing itself as constructively for tomorrow as is our management profession today. And I speak principally of the management men making up the foreman and supervisory ranks.

They are just about the only men in America who still believe in the Horatio Alger stories, anyway.

And thank God for that. For when all of management ceases to have faith that hard work and honest dealings pay off more handsomely than laziness, deceit and trickery, we shall be in pretty sorry shape.

Near Sims



The Management Team of the Year

FORMICA FOREMEN'S BUSINESS CLUB

EDITOR'S NOTE: The Formica Foremen's Business Club chartered by the NAF in 1948, was the first (March, 1954) NAF club honored as the Management Team of the Month. It won that honor for its good housekeeping program which cut the reject rate of laminated plastic sheeting by five per cent—or an improvement of 40 per cent in the reject rate. And the club provided the motivation for the company's highly successful accident-prevention program. During the 18-month period following the institution of the program, not a single man-hour was lost from accidents—but during the 18-month period before the program, Formica had lost 13,464 man-hours from accidents.

Then the club sponsored a six-month project to cut the cost of factory supplies—and accomplished a 40 per cent reduction.

This achievement has won for the Formica club the first Management Team of the Year award, which will be presented at the annual NAF Club President's banquet in Fort Worth, Tex., on September 29.





HOW WE LICKED SCRAP AT FORMICA

By Edward Thorne

SCRAP USED to be a problem at our company, but thanks to our NAF club and its great miracles of management unity, we have turned that problem into one of the finest opportunities ever given an industrial management group.

But before we licked scrap at Formica, we, as a management club, developed a sound philosophy regarding the problem, then outlined a definite program to prevent scrap in our future plant operations. This

Proof It Works

A scrap-prevention program similar to the one Edward Thorne outlines in this article was instituted by the Formica Foremen's Business Club in 1954.

The company's sales for 1954 went up five per cent—BUT the company's net profit zoomed up 47 per cent!

Instead of hauling scrap away from Formica by the truckload, one man can now easily carry out a day's scrap in his pocket.

The output per man-hour at Formica has increased 15 per cent, mainly through efforts of the club in good housekeeping, materials conservation, safety and scrap-prevention projects.



story is not so much about what we did and how we did it as it is an essay—directed at every NAF-affiliated management and foreman's club—on the proper approach to eliminating costly scrap from your company's operations.

The problem of scrap is universal. Whether scrap control is an individual or departmental function, or the responsibility of a committee, effective improvement must be made in the procedures that cause the scrap.

Scrap is a major parasite feeding on company profits, for the cost of scrap is paid out of profit, and often differences in competitive prices may be directly related to differences in control of the procedures causing scrap.

SALVAGE IS ONLY an expedient to get back some of the loss in scrap. It is not corrective. It is not the answer to scrap.

The NAF club, if it meets its challenge, is a management team. It cannot otherwise justify its existence. Its challenge is to survey the plant operations and use its influence and collective know-how in achieving smooth and satisfactory plant operations.

A club, accepting that challenge, has three general fields of action on the project chosen.

1—The dissemination of information, concerning all the factors affecting the subject.

2—Educational programs concerning ways and means of handling general problems.

3—The development of cooperative study of existing conditions and the coordination of effort to practical action.

The survey of plant operations starts with an analysis of company operations, based on the sales dollar. The breakdown of costs in percentage figures is a normal function of any well-run industry, and in this breakdown, the item "factory cost" is significant.

First—It is not a fixed expense.

Second—It reflects almost directly the quality of production control and evidence of effective planning.

Third—It lends itself most readily to the interest and activity of NAF club programs.

Statistics of an individual company are not important except to the men of that company, but these observations are interesting:

If no radical change in policies or product occurs, it is probable that a

major factor in improved plant operation is in factory cost. And the index of satisfactory plant operation is net profit.

By breaking down the item "factory cost," we inevitably find a major variable, waste or scrap, and this one variable is directly reflected in net profit.

TO BE REALISTIC, we cannot produce a general program of scrap prevention to abolish all scrap. Effort would be spread too thin to be effective. To develop a break in routine scrap control through which specific areas may receive special treatment, is a prerequisite of club activity. To hit a target, it must be identified, and the proper weapon selected. A high-powered rifle is perfectly sensible in hunting lions, but would be rather silly hunting rabbits. Likewise, a perfectly satisfactory approach to reducing waste in factory supplies would be quite ineffective in reducing rework or production rejects.

To illustrate the tailor-made approach to scrap prevention, we can identify our target in this project as "scrap losses in process," or specifically, scrap due to error in process.

To the machine operator who, under pressure of production, lack of training or adequate instruction, faulty tooling, poor material or other cause, it is just an incident in the day's work—no different from any other scrap.

But there is a difference. That scrapped material has served no useful purpose. It is a destruction of material and labor with no compensating values. It has cost the company material and time which must be paid for out of profit. It has made a customer wait. It has used labor and equipment.

Assuming a six per cent profit, it not only does not produce its six per cent, but absorbs the profit on approximately 15 other jobs of like size to pay its cost. *Since it requires \$100 in sales to net \$6, every dollar lost in scrap requires \$16 in sales to absorb it.*

We cannot endorse the casual acceptance of scrap without corrective procedure. Such endorsement leads only to *more scrap* and the *acceptance of scrap*.

Certain forms of scrap we do recognize as having served a purpose. This expected or normal shrinkage is the product of planning and engineering. There is a reason for it, and limits can be established. These limits can be reduced by better planning.

Scrap due to error in process is not a planned item. It is unpredictable. It follows no rule of expectancy nor place of origin. Frequently it falls

in the general category of being accidental. The best treatment seems to be from a *preventive* approach.

If we were waging a safety drive, we would start with the premise that, nearly always, an accident is the product of (1) a careless act in (2) an unsafe or dangerous location. Wherever good safety records are maintained, two forces are continually in action: one to make the individual safety-conscious and the other to make the job safe.

IT IS ALSO TRUE that good safety records may be spark-plugged by the safety director and enforced by the foreman. But additional watch dogs are on the job—the State Industrial Board, the Workmen's Compensation Board, executive demand for safe working conditions, and, last but not least, the union and the employees all watching and reporting.

Fundamentally, there is little difference between machining a block in the wrong location, or machining a finger which was left in the wrong place when the tool passed by.

Let us examine an effective safety program. Over a period of 11 years, we established the following record by consistent improvement.

YEAR of injuries	Total Cost	Cost per			Occupational		
		100 man hours	Frequency Rate	Severity Rate	Doctor per million M. Hr.	Dermatitis	
1943	\$456,450	\$8.83	42.0	854	173	134.0	
1954	\$ 34,103	\$.89	1.5	100	28	9.1	

This amazing reduction in accidents did not just happen. It is a result of a safety program. One more fact must be understood, this program did not continue of its own momentum.

It was an on-the-job project, day-by-day supervision of all the factors affecting safety. It involved continually keeping the human element informed and safety-conscious, and a never-ending search for and elimination of accident producing procedures and conditions. Thus no accident was too minor to be investigated, and no safety complaint too unimportant to be considered.

Substitute *scrap* for *accident* and the program for scrap-reduction becomes clear. It involves two activities: one to keep the human element scrap-conscious; the other, the relentless elimination of scrap-producing procedures.

There is no magic formula. The only *cure* for scrap is to improve the procedures that cause it.

Consider the universal acceptance of scrap. A normal allowance of plus



"Well, now the 'buttering up' is over—back to work!"

or minus 10 per cent is allowed on quantity orders. To anticipate possible scrap it is a common practice to increase the figured in-put to production by 10 per cent. Process knows it and accepts "reasonable scrap" without too much investigation. This *gives to scrap a legitimate standing, yet to control it, to reduce it, to banish it, demands a determination to outlaw all scrap and accept no excuse without corrective measures.*

Knowing the problem is a big part of the cure. The balance of the cure is doing something about it.

NO MATTER how minor or trivial a complaint, employee reporting should be encouraged. Operators must be scrap-conscious to catch trouble before it happens. Nothing kills this desired attitude quicker than ignoring or ridiculing an employee complaint or suggestion. Nothing encourages this attitude more than to let the operator know his suggestion will be sent to committee, if nothing can be done at the moment. He feels he is a real part of the team.

Monotony and fatigue are scrap-producing factors. Memory too, is tricky, as is lack of respect for the tools or job requirements. "I've done that hundreds of times," is a signal that it's a good time to stop and review, not the past experience, but the present requirements of the job.

Nothing takes the place of adequate instruction. No matter how experienced the operator, detailed instruction must be given him before he starts a new job. Such procedure does two things: it allows the set-up man or supervisor to check the operation in detail as he instructs, and it orients the thinking of the operator to the details of that particular job.

A starting report of the operation should be made if any detail of the set-up is questionable or could be improved—even though production is allowed to continue. This sets in motion such improvement as desired.

At the completion of the work, a scrap report should be made of any damaged or spoiled parts, giving details on the cause of damage.

This prevents subsequent operations being performed on defective pieces and pin-points the cause of damage. These two reports should go to a scrap committee for evaluation.

We cannot anticipate complete elimination of scrap. To set any universal standard for allowable scrap as such would be almost impossible. Critical tolerance requirements on complex mechanisms could justify an 85 per cent rejection on finished parts. Yet accepting such a restriction on production that 100 parts must be made to find 15 satisfactory should not justify acceptance of that condition as a permanent procedure. Obviously

the design should be changed within the limits of production, or the production improved to consistently produce within the limits of tolerance. In either case, it should be accepted as a challenge, not with complacency.

Scrap may have a definite point of origin or may be the composite effect of several factors. In this complex and at times obscure source of scrap, we find the reason why scrap tends to become an incident rather than a challenge. The department in which the reject was made is on the defensive. Rather than becoming involved in argument or bickering, a foreman will accept the blame with a promise to do better or check into it. The whole affair is charged off as "just one of those things." Besides, the individual involved may have neither the time nor inclination, and perhaps not the authority, to do much about it. So it is replaced with no corrective measure applied.

SO FAR WE HAVE considered only a few of the angles from which the subject of scrap can be approached. It is one of those things everyone talks about, a great deal has been done about and yet it continues to plague all of us. Too often the subject leaves us with a guilty conscience that somehow we could do better.

Let us now consider briefly a few ideas more specific—not intended as cure-alls but for more effective control. We begin with a liberal interpretation of what is scrap:

The approach is important. Unless we can be free from prejudice it is too easy to jump to conclusions. We are not trying to fix the blame, but to correct the errors. We want to know what is wrong, not who is wrong, and we're not looking for just one thing, we want to know *all* the contributing factors.

- 1—*We must find the specific problem.*
- 2—*We must establish understandable standards of quality.*
- 3—*We must encourage the report of every deviation from standard.*
- 4—*We must get these reports treated by effective analysis.*
- 5—*We must refer that analysis to the proper department for corrective steps.*
- 6—*We must refer corrective or improved procedure to planning or engineering for similar or future layouts.*

Salvage has not been the prime objective of this discussion. Obviously anything salvaged is that much to the good, providing cost of salvage does not exceed the value of the reclaimed product. Rework operations are

salvage, as they are expedients to supplement unsatisfactory procedures. The need of rework is evidence of faulty procedures which are potentially scrap producing.

First—Let us stop making excuses for scrap, and let us put a finger on it for what it is, an outlaw, robbing us of our rightful compensation. Like a criminal, you should fingerprint it, mug it, and find its M.O. For scrap has a definite identity and can be readily associated with a method of operation.

Second—From recognition of specific causes we can establish minimum quality requirements to produce satisfactory results. This sets up minimum visual and physical standards for each operation as well as standards of procedure in handling, machining and checking.

Third—Having established minimum requirements we call for cooperation from everyone in contact with the operation. If scrap is a criminal, we want stool-pigeons watching for him. Every complaint should be encouraged, every difficulty reported, hunches and guesses. If someone just doesn't like the way something looks, it should be reported. If a tool doesn't work right it should be reported, and all these reports summarized, showing background of operation to discover the causes of trouble.

Fourth—These reports should find their way to a central committee or individual to evaluate and send suggestions to the department or responsible individual.

Fifth—Any development or improvement in method or tools so attained should be referred to methods or engineering as suggestions in the improvement of technique.

There is no magic formula. The control valve is no greater than the interest and cooperation of the organization.

Scrap control calls for a staff committee rather than a line or departmental group.

VERY BRIEFLY, let me outline such a committee now being used at Formica. It is not the final answer, but certainly a step in the right direction. The chairman is the foreman of inspection. The members are representatives of tool engineering, standards (time study and routing), the fabricating department (machine shop), sales (pricing), process engineering, and material laboratory. Thus the fingers of this committee reach into all control areas. All rejects are reported by inspection, listed for probable cause. A sample with print and routing is sent to the committee meeting where all con-

tributing factors are discussed with recommendations being sent to proper department heads.

As far as it goes, this is excellent. But, the committee only deals with parts rejected by inspection. It does handle the problems sent to it, and does it well. It could do much more if it received more information.

Scrap covers far too many variables to condense control to a specific pattern, but to a large degree the control of scrap follows defined procedure.

Let me summarize these basic facts—

First—In scrap control, we do not seek to salvage scrap, we must work on the procedures that *cause* it.

Second—To get at the cause of scrap, we must identify the nature of the fault, based on an analysis of the facts.

Third—We seek causes, not blame; we seek to improve, not to criticize.

Fourth—Scrap control is a plant-wide responsibility, rather than a purely departmental function, and requires plant-wide cooperation. *Often we overlook obvious faults because we are too close to them.* This is ideally an NAF or club challenge, not necessarily to do the job, but to point the way.

Fifth—However you look at it, the cost of scrap comes out of profit. It has no useful function and serves no useful purpose.

"If we all would decide to give a half-dollar more work for the dollar we receive, we would all come pretty near getting back the half-dollar we are losing because our dollars are only worth half as much."—*Sherman Adams*

If we could see ourselves as others see us, we wouldn't believe it.

"If we ever lose the armament race to the USSR, it will be because the USSR has of necessity practiced a policy of selection of its objectives and concentration of its resources, concentration on heavy industry as against consumer goods, and concentration on a relatively few sizes and types of weapons and equipment in its military."—*Frank D. Newbury, assistant secretary of defense for applications engineering, speaking before the American Society of Mechanical Engineers.*

MANAGEMENT QUIZ

QUESTION: What formula is used to determine "accident frequency rate"?

ANSWER:
$$\frac{\text{Lost Time Accidents}}{\text{Man Hours} \div 1,000,000} \text{ equals Frequency Rate}$$

QUESTION: What is the full-time working force of a plant or company?

ANSWER: The number of employees who work a minimum of 40 hours per week during a period of at least 50 weeks per year.

QUESTION: In manufacturing, what is meant by "direct material"?

ANSWER: Direct material includes any items which become a part of the final product. It excludes materials used exclusively to process the product such as abrasives.

QUESTION: What is the "Diemer Plan"?

ANSWER: This is a plan providing for payment of regular daily rates up to a certain task and then an increase in wages of one-half per cent for each one per cent production above the task along with a 10 per cent bonus.

QUESTION: What is the doctrine of "Laissez-Faire"?

ANSWER: A doctrine of Adam Smith declaring that governments should interfere as little as possible with business and economic affairs.

QUESTION: When a plant is working three full shifts, which shift is known as the "Lobster Shift"?

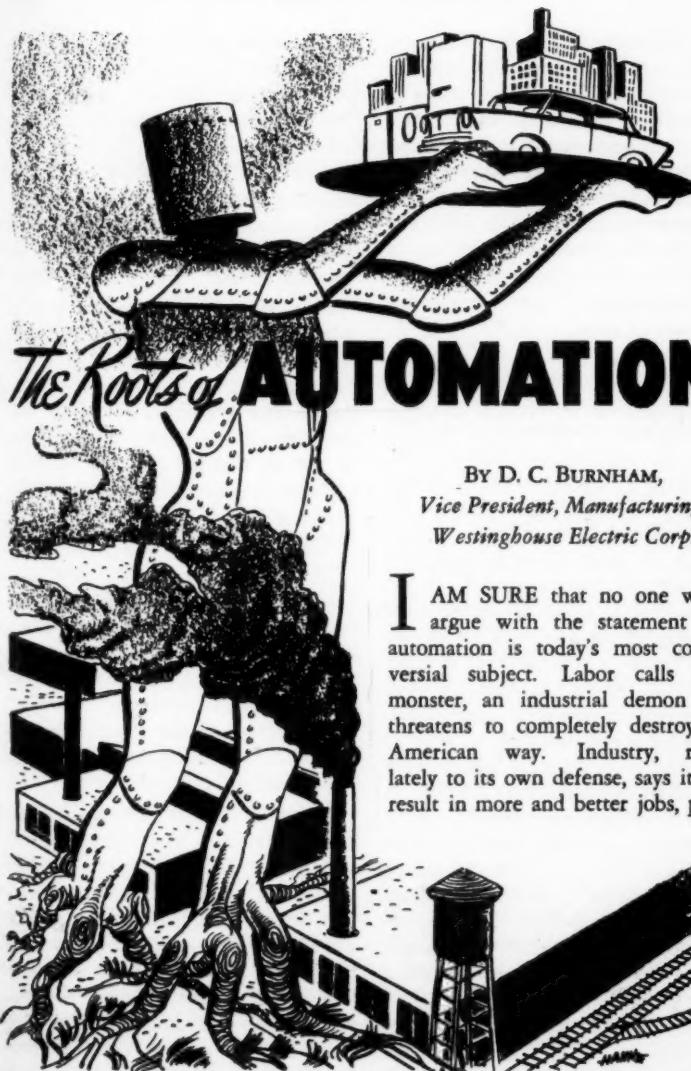
ANSWER: The third, or midnight shift. Also known as the "graveyard shift."

QUESTION: What is a preferential shop?

ANSWER: A plant where non-union workers are hired only when there are no union-member workers available.

QUESTION: What is a "connected expense"?

ANSWER: Money an employee must pay for clothes, tools or equipment required for his job, but not common to all employees in their work.



The Roots of **AUTOMATION**

By D. C. BURNHAM,
Vice President, Manufacturing,
Westinghouse Electric Corp.

I AM SURE that no one would argue with the statement that automation is today's most controversial subject. Labor calls it a monster, an industrial demon that threatens to completely destroy the American way. Industry, rising lately to its own defense, says it will result in more and better jobs, prod-

ucts, and purchasing power. The man on the street is confused. And we have ourselves to thank for that.

Afraid of borrowing trouble, industry has been slow with its word on automation, far too slow. Now we find ourselves in the rather ridiculous position of having to defend a manufacturing technique that is not logical but absolutely essential to the growth and well being of our country.

LABOR has argued that industry has shrugged its responsibility by allowing automation to grow. The only responsibility that industry has shrugged is that of communicating to the people what automation is and what its effects will be.

This is your challenge, and the challenge of every segment of industry that is at all connected with the growth of automation: to use every means at your disposal to make evident to the American people what automation is, how it has come about, and what it will result in.

Automation naturally has its roots in today's manufacturing history. It is no revolutionary concept. It is rather a next logical step in a slow evolution. We have in our shops today examples of the various phases or steps through which we have progressed on our way to automation. There are four of these: job shop, the lowest volume, highest cost method of production; progressive line manufacturing, where machines are arranged according to the work

that must be done on the product; conveyorized line manufacture, where conveyors are used to carry parts from one machine to the other; and finally automation, with its high degree of automatic handling and control. The roots of automation can be clearly traced through these four phases back to the beginning of manufacturing.

The job shop is undoubtedly the oldest method of manufacturing still in existence today. Parts are individually handled, individually machined, and assembled by hand. At the turn of the century, with few exceptions, this was the only method of manufacturing in existence for most industries.

Your automobile, which you pay \$3,000 for today, would cost approximately \$100,000 if it were manufactured by job shop methods at present labor rates! Obviously, the automotive industry would be very small if such were the case. Not only that, so would many supplier industries, including the machine tool industry.

Faced with an expanding and an eager population, American industry had to find a way around the tremendous cost of hand labor. Someone conceived the idea of arranging the machines in his shop so that the part to be produced progressed in a straight line from machine to machine. This cut down on handling costs, boosted productivity. All this time, your predecessors were busy

building more efficient machine tools that not only saved the worker's back and his eyes but produced more parts per hour. The next step up the scale from straight line manufacturing was as inevitable as automation is today.

The assembly line or conveyorized method was to mark America as a nation unparalleled in producing high quality, low cost goods. Although Henry Ford was not the originator of the conveyorized method of manufacture, he can be credited as being its greatest scholar. Ford announced in 1909 that he would "build a motorcar for the great multitude" and that he proposed to do it by building 1,000 cars a day! What it did for America is written in almost every minute of our present day life.

The words "United States" and "mass production" were to become complimentary. The techniques of mass production have fitted in so well with the young, ambitious, and democratic American way that it has not only made us the strongest nation in the world but has also played a major role in preserving the democracy that made mass production possible in the first place.

THE STEP from conveyorized manufacture to what we call automation involves the use of more automatic machines and controls as well as automatic handling between machines. It is most certainly the next logical step in the progress of

American productivity and undoubtedly not the last one.

What has it done to the American people? *Like every major technological advance in history, it has been accompanied by a corresponding boost in the standard of living by providing more jobs, better working conditions, and higher overall pay.*

Citing again the automotive working industry, we can study the effect of the automatic transfer machine on the automotive working population. The big advances in the use of automatic machinery in the automotive industry have been made since the war; and it is interesting to note that the number of people employed by the automotive industry has increased by 39 per cent since 1946! *Automation is not a social plague; it is an economic necessity.*

What does industry hope to gain by this steady progression? The answer is simple: it hopes to stay alive. So long as the American democracy exists, so will the simple law of supply and demand govern its economy.

Anytime your competitor can produce a comparable or a better product at a lower cost than you can, he is going to prosper at your expense. That, after all, is the basis of business. And not only is industry bound to this iron-clad check and balance system, it is also supplied with the same conscience of democracy given to every American. Common sense tells us that industry would hardly want to produce goods in such a

manner that it would destroy the democracy that provides for the very existence of industry to begin with.

Perhaps we will never see the advent of the completely automatic factory, but if we do, it will be because we are ready for it. It will not upset our balance. It will come simply as another step in the long evolution, as an economic necessity. To fear such a step is to fear America itself.

How else will industry benefit from automation? The owners of industry have not been and probably will never be the major beneficiaries of automation. If it is to survive industry must continue to plow back a great share of its earnings into the development of better products and techniques to meet competition. The industrial owner consequently finds himself on a very competitive merry-go-round where his per cent of the profits will most likely not change. The major beneficiaries are you and I—the consumers.

This is evident in our homes. Without the major advances in manufacturing technology, we would most likely still have some of the appliances we have today, but they would be a far cry from present automatic, labor saving devices. And what's more, they would cost a lot more. Television, of course, would be non-existent, and radio would be available only to a fortunate few. There would be no automatic washers, dryers, refrigerators, or electric blankets. We just couldn't afford

them. It is apparent that industry is not alone in its need for automation.

How can we go about attaining it? Let me quote our specific case. Westinghouse has in its organization examples of each of the four types of manufacturing mentioned. Not all of any one plant is in one specific stage, of course, but there are certain products that demand certain types of manufacturing, either because of the nature of the product or of the process. Large, single-design steam turbines, for instance, would be difficult to conveyorize.

IT IS NOT realistic to expect to automate the job shop. But we can expect to raise it to the next higher level of manufacturing. With additional investments in machinery and perhaps in floor area, any one of the manufacturing types can usually be raised one notch up the scale. This should be the goal of industry. With such an approach, we can hope to realize economic automation.

Also, with this approach, if we ever do accomplish automation in any operation, the change will come about naturally, slowly. *There will be no sudden shift of workers. It is true that some workers may be displaced by automation, but this displacement will be gradual, paralleling the evolution of automation.* The electrical industry, for instance, will double itself in the next 10 years and will employ an ever increasing number of people.

Coupled with this approach, we



"I'd like to add a Guaranteed Annual Allowance clause."

must use all the manufacturing know-how we can muster. Perhaps the biggest single responsibility lies with the machine tool builder. Although most companies, like Westinghouse, have equipment replacement programs, the machine tool industry should work hard at making present day machine tools obsolete. Not only is this essential to the rapid growth of industry in general, but it is sure to be of considerable benefit to your industry in particular. You should devote a higher percentage of your engineering talent to making this obsolescence come about. I hope we don't have to wear out our machine tools. I hope you make them obsolete so we have to replace them.

It may be time too to look carefully at the general structure of our manufacturing organizations. Are we organized to efficiently attack the problems connected with automation? We need manufacturing engineers, methods engineers, and plant layout experts, each with sufficient freedom to discover new manufacturing methods and initiate action on them. And there are, of course, a great many other factors which must be continually re-evaluated if we are to be effective.

But the most important question to the confused man on the street is: What will automation do for me? As said, it will provide a higher standard of living, but there's more to it than that.

The defense of America, now as

in the past, depends on our ability to produce. In time of a major defense effort, our national production facilities are strained to the last man-hour. Automation then assumes the role of a vital defense mechanism. We can ill afford to neglect the excellent opportunities it presents.

THREE is another facet of America that makes automation a necessity. The working population and the total purchasing power of this nation are naturally closely allied. The gross national product is increasing at the rate of $3\frac{1}{2}$ per cent a year. However, the American working population is increasing at the rate of only 1.8 per cent a year. Something, somehow, has to take up the slack if we are to continue to be able to produce to the level required to improve our current standard of living. Automation is that something. It helps the worker by providing him with means of being more productive. *So we need automation just to maintain our present rate of improvement in our standard of living.*

The effect of automation or any other technological advance on the very young and the yet unborn Americans is of tremendous moral importance. Their education will be increasingly more vital. Largely as a result of automation, people will have more time, more money, and more need to go to school. The jobs they will be filling in industry will be more demanding of their talents

and their mental powers than ever before. And as the educational level of industry increases, it will continue to compliment industrial progress, thereby giving form to a still more advanced technology.

There are literally pages of corroborating data and favorable indications to support the industry claim that automation—far from being a demon—is an absolute necessity for American progress. This is

a nation which will never see the limit of its potential in my time or in yours. And our greatest asset of all is our ability to progress, to accept change, to adapt ourselves. It is inherent even in our system of government.

The problem that should be of greatest concern to the American people today is not how to stem the tide of automation but how to bring it about more quickly.

* * *

— Our Medical Wealth —

HOW RICH is rich? What is the measure?

Ninety years ago Abraham and Mary Lincoln watched their young son die in the White House.

Five dollars worth of antibiotics would have had him well within a week.

A very short time ago, in the era of automobiles and airplanes, Calvin Coolidge Jr. blistered his heel on the tennis courts. Infection set in, followed by dreaded septicemia. Death again invaded the White House.

Today, with two or three dozen sulfa tablets the Coolidge's son undoubtedly would have lived.

The assassin's bullet which struck President William McKinley made a trifling wound, but that wound opened the way for peritonitis. Modern medicine has made fatal cases of peritonitis rare.

With a half day's pay the humblest person in the U. S. today can buy the precious things which Lincoln, Coolidge, and McKinley lacked.

Modern medicine, made what it is by research and the incentive provided under the free enterprise system, has provided them.

Who is richer? What is the measure? Surely every citizen in the U. S. today is far richer than the presidents, kings, and emperors of former years.

Test Your Word Sense

Here's a good way to test your vocabulary. Pick the best definition for each word and then turn to page 28 for the answers.

1—An ARTICULATE person speaks:
a—loudly
b—softly
c—clearly
d—poorly

2—A BARBARIAN is a:
a—savage
b—dignified person
c—shy person
d—weakling

3—A CACHE is used for:
a—banking
b—sleeping
c—transportation
d—storage

4—DARWIN'S THEORY is about:
a—religion
b—evolution
c—economics
d—finance

5—In law, the word EQUITY means:
a—equal rights
b—right to trial
c—right to work
d—no rights

6—When you FABRICATE you:
a—build
b—work
c—tear down
d—straighten

7—A HEXAGON has:
a—four sides
b—four angles
c—six angles
d—eight sides

8—An IGNEOUS rock is formed by:
a—ice
b—water
c—fire
d—earthquakes

9—KAPOK is used for:
a—filling mattresses
b—insect repellent
c—insulation
d—filtration

10—When you OBLITERATE something, you:
a—break it
b—erase it
c—wash it
d—dye it

11—RECLUSE is a term applied to a:
a—social butterfly
b—entertainer
c—retired person
d—a hermit

12—A SUPERCILIOUS person is:
a—dishonest
b—honest
c—overly proud
d—ambitious

What IS Management?

SAYS WEBSTER, "The collective body of those who direct the affairs of any enterprise or interest." A few years ago this task was accomplished by a handful of men who were the owners of the business. Today it is an institution in our society. The very future of our free enterprise system may well lay in the hands of the men who go to make up American management.

But dictionary definitions do not make it work. It is the people who are concerned with the job of management that define the term. Management is an all-inclusive term. Under this umbrella live the top executives who exercise the most control over the business. The great bulk of the management men are in the middle and front line areas. The men at the top create the management jobs at the lower level.

The definition they give to the term management is the important thing that determines its effectiveness. If they think of their management group as merely a necessary overhead expense to be minimized they are in for trouble. If they delegate responsibility with no authority, show little or no concern for the security and future of the lower management groups, and fail to enlist the participation and creative potential of these men in managing the enterprise, the future is indeed dark.

The middle management group is the life blood of the company. From its ranks will come the company's future leaders. A top management that fails to develop its lower and middle management personnel to meet the challenge of the years to come, is tying the life of the business to its own life-span. It is essential to the health of an enterprise that the management men at all levels strongly associate themselves with its objectives.

The men at the top can establish a good framework. It then becomes the job of those in the middle and lower ranks of management to do their share. They carry out the job of planning, organizing, and supervising the activities that lead to the successful attainment of the company's objectives. They should first accept the enterprises' goals by developing a positive management attitude. They should take the steps necessary to develop themselves as managers, assume the responsibility, and exercise the authority delegated to them. But most of all, they should see themselves as part of the management team.

Titles and symbols do not make a management man at any level.

Leadership ability or the desire to develop this ability is required. But skill without direction is not enough.

Management requires a certain amount of idealism; a code of ethics and moral standards. It is not only dedicated to the goals of the company, but to a greater extent it must be concerned with the security and well-being of the people that make up the business. Even further, management, at every level, has a debt to the community and to society in general.

Theory and ideals can be treated lightly and glossed over because they do not come off the paper and slap you in the face. Many companies and many so-called management men will survive and achieve some measure of success with a complete disregard for most of these principles, or at most by paying lip service to them. And many ships with inadequate crews seem to make good time sailing in calm waters. But under darker skies and turbulent waters only the well staffed ships will reach their goals.

Management is more than a definition, more than an institution, more than a job—it is a way of life which is determined by the men who fill its ranks.

*Reprinted from the Douglas Management Club of Santa Monica, Inc.,
Sky-Gest.*

Answers to "Test Your Word Sense" on page 26 are:

1-c, 2-a, 3-d, 4-b, 5-a, 6-a, 7-c, 8-c, 9-a, 10-b, 11-d, 12-c.

"What's a good cure for seasickness?"

"Take a 20-minute walk around the block 10-minutes before the ship leaves."

A newlywed filling out his income tax return listed a deduction for his wife. In the section marked "Exemption claimed for children," he penciled the notation, "Watch this space."

You never realize how the human voice changes until a woman stops scolding her husband to answer the telephone.



THE FOREMAN VS. THE SALES DEPARTMENT

By William E. Demarest

THE hatred between a dog and a cat is taken for granted because it's natural. When the two walk side by side in peace it's an exception.

In a large segment of industry much the same relationship exists between the sales department and production. Conflict between the two is taken for granted. It is part of the daily routine at the plant. Love affairs usually end with both parties in disillusionment.

Why the battle? Who starts it? What can be done to promote better cooperation between them?

Since the average foreman seldom has reason for contacting the sales

department on his own initiative, the difficulties often start by the "invasion" of manufacturing territory by sales for:

(a) An approximate estimate as to when a certain job will be completed or,

(b) What the reason is for some delay in production or,

(c) If extra speed or help can be put on to get a job done.

Obviously, such questions should be addressed to those in charge of the production department instead of sales trying to deal directly with manufacturing.

Sometimes orders are delayed because the paper work has been held

in sales or production until the eleventh hour—not deliberately but through procrastination, or a customer suddenly has asked for an earlier delivery date than the one originally scheduled. Sales realizes that some future business depends on quick service to the customer and is anxious to cooperate with him.

This may be especially true if the customer has been "let down" by some other firm. He will be quite apt to give his future business to the company that helps him out in time of need.

Of course sales should always work through production. Sales knows which orders require priority and just what instructions may have come from top management. The foreman doesn't always know these things and can't be expected to know about them.

However, when sales gets over-anxious and by-passes production, and goes directly to the foreman for information and extra favors there's trouble. There is a disruption in the foreman's planned work schedule.

THREE are people who feel that there is little connection between the foreman in industry and the sales department. However, they will

agree that sales cannot sell unless the foreman produces in his department. On the other hand, any foreman will admit that his job would be of very short duration if the salesmen didn't sell the products when they were ready for the market.

Since products are made under the supervision of foremen and sold through the tireless efforts of salesmen, we find they are dependent on each other. We have established a definite connection between the two. There is one thing in common between them—the customer!

A very wise man, name unknown, once fittingly described a customer as follows:

A customer is the most important person ever in any office . . . in person or by mail.

A customer is not dependent on us . . . we are dependent on him.

A customer is not an interruption of our work . . . he is the purpose of it. We are not doing him a favor by serving him . . . he is doing us a favor by giving us the opportunity to do so.

A customer is not an outsider to our business . . . he is a part of it.

A customer is not a cold statistic . . . he is a flesh and blood human being with feelings and emotions

Remember this: they that will not be counselled cannot be helped. If you do not hear Reason, she will rap your knuckles.

—Franklin.

like your own and with biases and prejudices.

A customer is not someone to argue or match wits with. Nobody ever won an argument with a customer.

A customer is a person who brings us his wants. It is our job to handle them profitably to him and to ourselves.

There is absolutely no intent in this narrative to place the blame for friction between sales and manufacturing but rather to point out a few common mistakes of which both are guilty. Then to offer some concrete suggestions to either minimize the difficulties or entirely obviate them.

FIRST, sales is often guilty of both-ering manufacturing and the foreman for a definite "rush delivery" date on some product and then fails to have the material moved or picked up when completed.

The remedy to such a condition is simple. If sales has asked for a "rush delivery," there should be some provision so that the finished goods are picked up. If sales meanwhile finds that there has been a change by the customer, then sales should explain that fact to production.

SECOND, manufacturing and the foreman often make definite promises to have an order ready for shipment on a certain date and then fail to keep it.

This sort of thing can only be interpreted by sales as a real example

of lack of company loyalty in the foreman and a disregard for his company's progress. The foreman has indirectly helped some competitive firm to whom the customer will probably turn for better service.

Foremen of this type soon find themselves looking for new jobs!

THIRD, sales representatives often come to a foreman when they want something special done in a hurry or for some "off-the-record" favor. Then on other occasions, completely ignore the foreman and go over his head to the general foreman or plant superintendent. Of course, here again, such requests should have been made to production in the first place. However, if the foreman is obliged to refuse, and sales goes over his head to his superiors, the foreman is bound to wonder what sort of a tale was told about him and whether he was described as a non-cooperative supervisor.

Here again, the remedy is a simple one. Always make requests through proper channels. Don't show appreciation for past favors rendered by by-passing the fellow who did them for you and causing his embarrassment and also humiliation.

FOURTH, there have been many instances where lucrative orders were lost to sales because some foremen thoughtlessly talk too much "out-of-school" concerning what goes on in their respective departments. For example, an improvement is be-

ing worked out on a certain product. In his enthusiasm, the foreman talks about it to an acquaintance briefly describing it and mentioning how much better it is expected to make the product.

Here pops up another proof that "this is such a small world." Someone hears all about it and talks to a friend on the subject. The information finally reaches the ears of an employee of some competitive company. The word then gets to the sales department of the competitor with the result that they are then better able to push their own product by mentioning that the "other fellows" are having trouble with their product and are trying to make improvements.

The sales department in the company employing the talkative foreman may be "stuck" with a large stock of its product. They are now unable to sell it either because the competitor has beaten them to it or because their own dealers and distributors demand that they be given only the latest design to sell.

Incidentally, the proposed new improvement may have meanwhile been found to be unpatentable or not sufficiently better to warrant a change. The old model may still be superior to the product offered by the competitor just as we find many improvements on new model cars that we don't like as well as we do the older models.

However, the damage has already

been done by the talkative foreman, who probably never will know what trouble his glib tongue caused and he may be the first to squawk when he is obliged to lay off part or all of his department because of sales falling off.

FI FTH, we have all run across the type of foreman, who upon receiving a batch of new production orders, scans them and picking out one or two, starts to rave and rant something like this:

"If they think I'm going to rush my-head off to get these orders out on this date schedule, they're just plain crazy!"

"They always want some rush order made up at the last minute on a Friday or the afternoon before a holiday."

"Between Sales and Production they've been holding that order for two weeks, then they expect me to rush it out for them!"

The production department's success lies in the prompt issuance and follow-up of all orders. The livelihood of sales lies in getting promised materials to the customers on schedule. So it seems most unlikely either would be so unwise as to ever deliberately hold up any orders.

Let's see then what good reasons there may be for the delay in getting the orders to manufacturing.

(a) *Sales may have had to await final word from the customer on the quantity to order or his acceptance of*

a larger amount to get a "price-break."

(b) Production may have had to wait for certain materials from a vendor to be used in filling the order even to the final packing carton.

(c) Sales may have had to delay issuing the request to production while awaiting word concerning the customer's credit rating.

(d) Production may have been forced to see that other scheduled jobs were completed by promise dates before issuing any more "rush orders."

Nevertheless, the foreman, who usually isn't told of these things, can scarcely be blamed for getting a bit peeved.

If sales, through production, would only see the merit of giving the foreman a little advance notice of any difficulties that are apt to arise. If the department would take him into their confidence once in a while, he would no doubt, view these situations quite differently.

On the other hand, the foreman

must realize that it is neither the function nor desire of either sales or production to make life tougher for him.

There are several other habits on the part of both sales and the foreman which are annoying to both, many of which, are peculiar to the particular plants in which they occur.

In many companies the friction has been resolved through meetings and dinners where production supervisors, foremen and members of the sales department get together informally and talk over their problems.

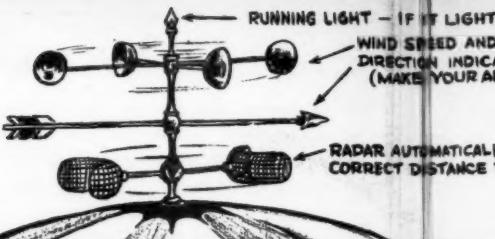
Wise management knows how valuable an informal get together can be in breaking down departmental isolation.

Once the people in production get to know the people in sales and vice versa, once they learn they are good guys with problems too, you will take a lot of the vice and versa out of "The Foreman Versus the Sales Department."

How to become a good speaker: Get up—speak up—shut up—sit down.

Driving is just like baseball; it's the number of times you get home safe that really counts.

The condition a man is in can best be judged from what he takes two of at a time—stairs or pills.



THE COMPLEAT GOLF

UMBRELLA OF LEAD
PROTECTS AGAINST
GOLF BALLS OR H-
BOMB FALLOUT

TALL CLUB
FOR SHOOTING
OVER HEAD

THIS SPADE
IS A SPADE

CLUB FOR ADJUSTING
HANDICAPE

PSYCHOLOGICAL CLUB

TELESCOPIC RANGEFINDER
AND BADE WATCHER

COMPASS TO KEEP ON
STRAIGHT AND NARROW

POWER STEERING

CASHMERE
UPHOLSTERY

COMBINATION
CALCULATOR AND
CASH REGISTER

WATER FILE

DIRECT RADIO
TELEPHONE TO
ASTROLOGER

BEDROOM DE
PLAY COFFEE
MASTER MU

ANDERS
BOTTY

ANTI-TOPPING CLUB

PORTABLE
PRACTICE TEE

THIRST AID OR
PORTABLE TOILET

BALL LAUNDRY

*S.O.B.
LIGHTS

FOUL WEATHER GEAR
AND DIVING SUIT

MOLES MINE

TEEG

LIBRARY

TIME
TESTED
ALONE OR
HOW ABOUT
BAD LIE

LIVE A
LITTLE
TRAP OR
LIE
AND LOVE
IT

NATURE
FOR
DIFFERENT
MATERIAL
TO
40
OR
UNDER

LIFE
FOR
40
OR
UNDER

WATER
FILE

DIRECT RADIO
TELEPHONE TO
ASTROLOGER

BEDROOM DE
PLAY COFFEE
MASTER MU

ANDERS
BOTTY

DULL
KNIFE

CLUB
DECORIZER

CLUB
DECLOSER

CLUB
DISPOSAL
UNIT

SPARE
DIVOTS
AND USED
ISOTOPES

GERBER COUNTY
URANIUM RADIOMAC

WATER FILE
DIRECT RADIO
TELEPHONE TO
ASTROLOGER

*S.O.B. "SHINE OUT BEHIND"

WATER FILE
DIRECT RADIO
TELEPHONE TO
ASTROLOGER

WATER FILE
DIRECT RADIO
TELEPHONE TO
ASTROLOGER

TIRELESS TUBES PROJECT FA

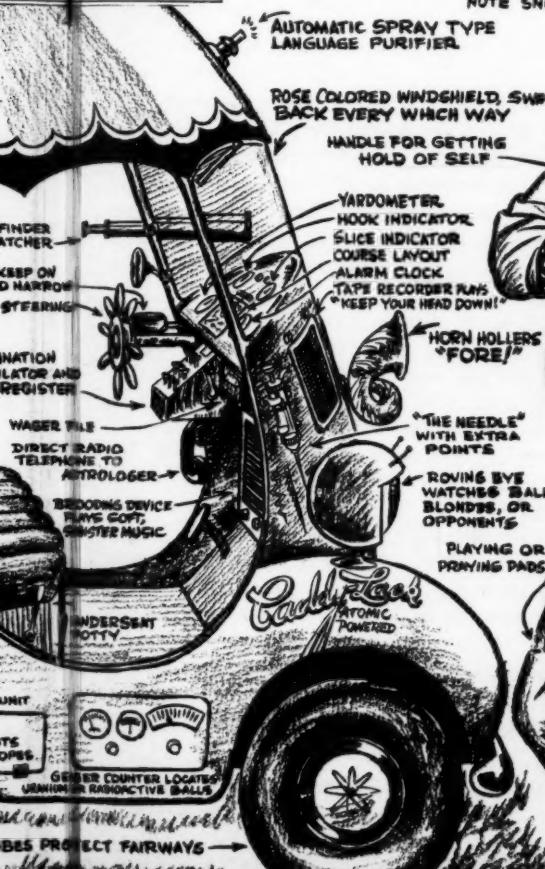
WATER FILE
DIRECT RADIO
TELEPHONE TO
ASTROLOGER

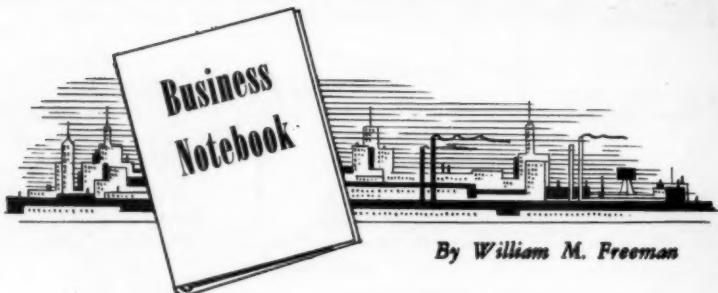
HT - IF IT LIGHTS UP, YOU START RUNNING
WIND SPEED AND
DIRECTION INDICATORS
(MAKE YOUR ALIBI AUTHENTIC)

PRINTS, 16" x 20", SUITABLE FOR FRAMING, MAY
BE SECURED AT A DOLLAR A COPY FROM ELDON
FRYE, BOX 475, DEL MAR, CALIF.

DAR AUTOMATICALLY STOPS CART
CORRECT DISTANCE FROM GREEN

GOLFER





NO ADVERTISING IS ANY GOOD. None of it is believed. No one likes it. No one acts on its suggestions. That is what research workers heard people say, over and over, when they attempted to discover what people thought of *testimonials* in advertising.

The study was conducted by Social Research, Inc., of Chicago, on behalf of Endorsements, Inc., leader in the special field of obtaining honest testimonials for advertisers. The researchers, however, went beyond the answers to discover what the people were *thinking*.

They found that the average person surrounds himself with a "mental iron curtain" of self-protection in order to appear independent and sophisticated. They found, further, that the actions of the persons questioned in the study differed sharply from what they said. They found that advertising, and especially the testimonial—much criticized because of notorious past abuses—was highly effective in spite of the skeptics, the cynics and the scoffers.

They found that a properly-conceived and well-executed testimonial, sincere and honest, conveyed real meaning and belief to the 65 per cent of the middle majority of consumers. They found that because real people were used, the material was interesting, vivid and compelling. Further, when a celebrity endorsed a product or an idea, the average man felt the product was in the "big time."

So it went when the research crew went behind the quick and easy answers. It all has this meaning:

Don't accept superficial answers in any research. Look behind them to get the truth.

If you were to conduct a plant survey on "What do you think of our rival company's management?" the answers probably would be highly

disparaging. But interviews in depth very likely would turn up many points on which the rival's methods were considered somewhat better. And this, in turn, could lead to worthwhile revisions.

SHOES

Some measure of unification is gradually being achieved by the country's armed forces. A single design for dress shoes to be worn by men of all branches has been adopted by the Defense Department. Standard lasts have been adopted.

The effect of this move is to reduce the number of sizes stocked by the Army alone from 235 to 113.

An important effect of this realization that the soldier, the sailor and the marine are pretty much alike in terms of feet, will be to cut down military procurement. Just the same, the shoe industry is tapping a merry tune, with production so far this year at an all-time high and retail sales well ahead of a year ago.

This word comes from the Popular Price Shoe Show of America, volume show of the industry, which accounts for 85 to 90 per cent of all shoe output in this country. For four months of 1955 the total output was 206,000,000 pairs, about 15 per cent of 1954, and retail sales were 5 per cent ahead.

The news is good, for the reason that shoe sales reflect the state of the country's well-being. Edward Atkins, executive vice president of the National Association of Shoe Chain Stores, co-sponsor of the show, put it this way:

"Many more retail outlets are being opened, especially in suburban shopping centers, and more shoes will be needed for inventory purposes to do the same amount of business. In good times people buy more shoes and in bad times they walk more, building up a backlog of orders in the making."

ATOMS

Even though the reactor in the new atomic submarine Nautilus cost \$40,000,000 (plus \$15,000,000 for the hull) the problem of effective use of atomic energy is not even close to a solution.

The vessel carries a small quantity of fissionable material. Great heat is produced by nuclear fission, which heats distilled water kept under high pressure. This superheated water is used to turn other water into

steam, which then turns the vessel's propelling mechanism. That's all there is to it.

The next step, on which the scientists and the physicists are working, is to make *direct* use of the nuclear power, instead of making steam with it in a more or less conventional arrangement. The possibilities this concept opens stagger the imagination. Even the use of atomic power at second hand makes every other fighting ship all but obsolete. In an industrial installation the same equipment would obsolete every factory.

The great cost of making use of nuclear power is not so great, after all, when you consider what it can do.

RESEARCH

Here's an example of the study and analysis that precedes the introduction of a new product:

There are 22,584 city blocks in Manhattan, the Bronx, Brooklyn and Queens, and each has been classified, with housing as the measuring stick. The researchers, Stewart, Dougall & Associates, Inc., marketing management and research concern, divided the blocks into nine categories, from lowest typical rental and purchase value to the highest.

The purpose of this enterprise was to save time and expense for the field interviewers. With the findings a research project can be so scheduled that the interviewers talk to residents only in those blocks that are representative of the income level of consumers who commonly use the product being tested.

In the lowest category, Class 1, average rental \$15 a month, market value \$3,000 per dwelling, are only five blocks, four in Queens, one in the Bronx. In the top category, Class 9, are 618 blocks. Here the typical monthly rental is \$141 and the average dwelling value is \$30,000.

If a certain block were found to be in Class 1 or 2, the researchers would leave it out of a study on the market response to a high-priced automobile. Similarly, if they were testing a low-priced cigar they would leave out the Class 9 block.

The whole approach suggests that the market people know pretty well what we are going to buy before they make the product. In effect, the factory is producing goods to order. The customers, who at times think of themselves as pushed around a bit and ignored, actually are the royalty who make the producers and the sellers tremble.

What Do You Want for \$4.00?

Tomorrow morning leave all your money at home, with the exception of four dollars, and go on a spending spree. It may surprise you what it will buy today. So you are hungry and want a steak. Well, four dollars will get you a cocktail, a good steak (if you are lucky)

and a tip. The time consumed in this repast is about one hour and in four hours your stomach has disposed of the whole thing and is ready for more.

So you want to be entertained. Four dollars will take you to four or five movies in about eight to ten hours, half of which you will probably wish you had never seen.

If you want to travel, four dollars will take you on a train to St. Louis, but you will have to walk back. Or you can hire a plane to cruise over Springfield for 30 minutes, or buy one shoe if you'd rather walk.

Now, this is not a short course in modern day economics but merely an introduction to a topic which is still referred to quite frequently



and was discussed at the recent board meeting in New York.

It seems this same question is asked in many NAF clubs: "What do we get for four dollars?" The best answer is "What do you want for four dollars?"

We are not only members of a NAF club, but we *ARE* the NAF. The staff in Dayton, Ohio is merely the servant of the clubs who make their wants known through their area directors or by direct correspondence. The facilities and services open to the member clubs are varied and many in number. They exist because we asked for them.

First and most important are the training programs available. There are the week-long management unity seminars led by outstanding men in the field of management education. They are designed to equip the participants with "know how" to create and maintain a united management team through the local club.

Several times a year, Code of Ethics conferences are presented. These attempt to indoctrinate the

supervisor with the sound industrial philosophy needed for a harmonious relationship between supervision and employees.

There also is a supervisory training course available in source material form outlining the 24 basic elements of supervision.

There are conference leadership training courses and club officer training courses given from time to time to any club members who may be interested. These training programs are all financed from the dues structures of the organization and are available to all NAF members free.

Other services include the club aids which come to each club directly, such as the foremen's club manual and the public relations manual. There are special program aids such as the latest revised lists of available movies, sound slide films, etc., many of which the NAF will assist in procuring for the member clubs. Each year the NAF supplies each club with two outstanding speakers at no added charges.

Every member of the NAF may also attend the national and regional conferences which are complete with the ultimate in speakers, workshops, etc.

The accrued knowledge of NAF plus its access to some of the best industrial thinking of the nation is at the disposal of either an individual member or the company for consultation on industrial problems.

Additional features include Manage Magazine, and the very excellent management library service which contains hundreds of books on over 300 subjects of interest to management.

These are the tangible things which the NAF has for sale for four dollars. The worth of the intangible may be even greater. The truth of the matter is that we, that large group in the middle between top management and labor, are now engaged in a passive but violent struggle for recognition.

A national organization or unit *must* exist to organize the thinking and ideals which will elevate the supervisor to his deserved professional status. Today that organization is the NAF and it will only be successful and of service to us if we, the supervisors, become a part of it and are willing to be militant about its functions in our own industrial sphere.

*Written by Emil Blase, NAF
national director, and reprinted from
Leader, publication of the Samgamo
Electric Management Club, Spring-
field, Ill.*



By Samuel Irisib

THESE ARE money days in Washington, with final action in full swing on the last of the bills appropriating \$62 billion-plus to meet the July deadline. Uncle Sam operates on a fiscal, rather than a calendar year basis, and July 1 is New Year's.

Money appropriated for fiscal 1955 can't be spent after June 30, except in very rare, especially authorized cases. And unless appropriation laws for fiscal '56 are enacted, none of the government departments will have any money for operations after midnight of that day. Every once in a while an appropriation gets snagged, and there are a few "payless pay-days" for certain departments and agencies.

President Eisenhower's budget for fiscal '56 called for expenditures of some \$62,408,179,579, as contrasted with estimated actual appropriations of \$63,053,765,486 this year (fiscal '55).

Sixty billion dollars in operating expenses, so to speak, is so big that it has almost no meaning in terms of anything very concrete. However, a contrast with the operating expenses of the country's largest corporations will give some perspective. (Just what company is the largest depends on whether you look at total assets, total pay rolls, total intake and outgo, or what).

American Tel. & Tel., with assets of nearly \$13 billion, had operating expenses of a little over \$5 billion in 1954, including taxes, interest, and depreciation. It cost Standard Oil Co., of New Jersey, with assets of over \$6½ billion, about \$5¼ billion for "operating, selling, and administrative expenses," last year. General Motors, with assets of something

like \$5.2 billion, spent nearly \$10 billion in making and selling GM cars, in paying taxes and interest, and allowing for depreciation.

The obvious crack is that \$62 billion to run the government—more than six times as much as that spent by our largest industrial corporation—is a lot of money. But world leadership and the American standard of living for 163 million Americans require big government.

The alternative to our not being the leaders of the world, even at such a cost, is unthinkable. Because if we weren't, Russia would be.

BIG SAVINGS PLAN

Talk of government expenditures hereabouts usually brings up the hot potato of the Hoover Commission recommendations. Former President Hoover has asserted that the recommendations of his Commission—the second Commission, that—would save you and me some \$1 billion a year in costs of government. That would balance the budget in the coming fiscal year, and permit a \$4.6 billion tax cut. It sounds good, but so far there's been little concrete action to put the recommendations into effect, either by Congress or by the Executive Branch.

Opponents assert the Commission's ideas would turn the clock back 25 years and have the government, and the country, the way it was when Hoover was president. The Commission would drastically curtail government social-medical services, and lending functions, and end federal quasi-business activities, such as the TVA. It is all political dynamite for either party in a year before national elections.

However, one of the Hoover ideas seems to have met with popular acceptance: Cut down on the quintuplication of government paper work. Uncle Sam can save \$250 million a year just by refraining from composing those 4,700 varieties of questionnaires, by making fewer copies, and by throwing more papers away, rather than answering, filing, and indexing them.

This Hoover Commission report is not to be confused with the one under President Truman. Except for the head man, Hoover himself, that Commission was different both as to personnel and purpose. Widely divergent points of view were represented. Its mission was to find out how the government could do what it was doing better and cheaper. It was a sort of large-scale efficiency expert. About 70% of that Commission's recommendations have been put into effect.

The present Commission is composed primarily of men with banking and big business connections, and its mission includes authority for recommend-

ing complete elimination of government services it considers improper, and revision of existing policy with respect to the role of government.

WHAT ABOUT POLIO VACCINE CONTROL?

There is basis for an argument that under Hoover Commission recommendations, the Federal government would have had no responsibility or part in the distribution of Salk polio vaccine. The sole government function would be to take action under the Pure Food and Drug laws if, when, and after a sufficient number of complaints had been received that certain brands were faulty. In practice, that might well have meant action only after a number of children had died.

Whether you approve of what Madame Secretary Hobby and the Public Health Service did do or didn't do, or should have done, or might have done, it's interesting to contrast the situation here with how the vaccine was handled in Canada.

There, according to reports made to Congress and published in the *Congressional Record*, the Canadian government worked out cooperative arrangements last Fall with the provincial governments (corresponding to our States) to underwrite the cost of production. The entire Canadian output was purchased by the government, with health officials carefully supervising manufacture.

In April, after the vaccine had been proven successful, Canadian school children in the selected groups were inoculated with carefully tested vaccine. The cost for all three shots was \$1.50.

There was no other price for private purchasers, and no supplies were available through private channels.

In testifying before the Senate Committee on Labor and Public Welfare, Secretary Hobby's assistant stated that 3cc of Salk vaccine here would cost wholesalers from \$3 to \$3.60, and physicians from \$4.20 to \$4.50.

It has been urged that since polio is a public health matter, the Salk vaccine be handled as are small pox vaccine and tetanus, whooping cough and diphtheria serums, namely that every school child is required to have them, and that they can be had, free of charge, through public or school health officers.

But in any event, it looks as if the Democrats might try to make a campaign issue of the Eisenhower Administration's handling of the Salk vaccine.



Latest photo of Swedish beauty, Anita Ekberg, shows the striking features of the Warner Bros. star who will make her screen debut in the CinemaScope-Warner Color film, *Blood Alley*.

Bang on an eardrum long enough

And you'll pay through the nose

The Penalty For Industrial Noise

By Richard M. McKeon, S.J.

Director, LeMoyne College Institute of Industrial Relations

NOISE has been a great problem for industry for nearly two hundred years. But only within recent years has the problem been attacked through organized noise-reduction programs.

A double penalty has always been paid for noise. First, deafness afflicting many workers. Secondly, loss in efficient operation. Now a third penalty is at hand: costly claims for loss of hearing due to industrial noise are being paid under compensation legislation.

Alert management now recognizes noise as an occupational hazard. Aside from the personal loss which deafness brings to the worker there is a growing awareness that noise in industry is much more than a mere nuisance. Directly and indirectly, noise represents wasted energy, reduced efficiency, and undesirable working conditions.

Noise has been defined as unwanted sound. What then, is sound?



"Sound is the result of pressure waves set up in the air by air disturbances or when any body or object is set or any other means," according to the pamphlet *Noise and Its Control*.

There are two properties of sound: intensity and frequency. "Intensity is an indicator of the loudness of noise since it is a measure of the sound waves in the air.

"By use of the sound level meter, the intensity of noise is measured in units called decibels." On the other hand, "frequency is the pitch of sound or noise and is measured in cycles per second by use of frequency analyzers."

In the search to remedy harmful noise both intensity and frequency should be studied together. The lowest intensity heard by the human ear is zero decibels. Relative intensities of noises will run: very quiet home and whispering=20 decibels; average conversation=60 decibels; automobile=92; jet engine exhaust=about 140. Some industrial noises are: punch press=96 to 108 decibels; drop hammer=100 to 130; automatic riveter=95 to 99; circular saw=100 to 116.

Noise at high intensity levels injures the sense of hearing. As an occupational hazard, persons exposed daily and for a long time to noise of 120 decibels and over will suffer permanent loss of hearing within several months. Exposure to levels of 100 to 120 decibels daily for several hours over a far longer period of time will also cause permanent loss in many workers. Some persons may suffer a loss at a lower level. Noise over 140 decibels causes pain.

Deafness may easily bring harm to

the worker. He may not hear signals. He may misinterpret orders. Moreover "noise accelerates fatigue, slows reflexes and builds up nervous tension: a perfect setting for accidents."

In 1948 there was an important decision by the New York Court of Appeals. It sustained "an award for loss of hearing from repeated and continual exposure to industrial noise, even though there was no associated lost time from work and no loss of earnings." In that year 202 deafness cases for compensation were closed in New York with payments totaling \$272,072. In one community claims have run over a million dollars.

As industry continues to pay a heavy financial penalty for loss of hearing, factories are starting noise-reduction programs.

Conscious of the great advance in safety programs and constant effort to eliminate occupational hazards, we would hesitate to proclaim management indifferent in this problem. Nevertheless, the growing number of claims for loss of hearing due to industrial noise has prompted more action than in the past. To assist industry and to get the right answers and to find standards by which cases could be evaluated, the Workmen's Compensation Board of New York in 1952 formed a committee of technical experts "as consultants in the problems of industrial noise and the permanent effects on hearing of work in noisy environments." In De-

cember, 1953, this committee published a valuable report answering a number of questions put to it by the Board.

Organized labor is rapidly becoming aware of the occupational hearing problem. Unions are lending support to legislative measures in several states to establish greater awards for hearing loss. Some unions have begun an educational program to inform their members of the injurious effects of noise and likewise

to instruct them in the proper procedure in filing claims for impaired hearing.

Certainly labor and management should act most cooperatively in a noise-reduction program. We know that some labor representatives have attended management conferences touching this problem.

It is not our province to examine closely various industrial noises and remedies proposed for their control. That is the office of the technical

The Fashion Front

DUE to the flood of fashion news from Paris concerning the new feminine styles, very little publicity has been given to important changes in men's fashions. A few of the 1955 trends are listed below.

With traffic problems on the increase, manufacturers anticipate a demand for lighter footwear. As a result the castiron shoelace tip has been replaced by one made of a new lightweight metal.

Trouser cuffs will be somewhat shallower this season. Due to disagreements at the Paris conference, the French cuff is on the way out.

Knees will be worn slightly lower in 1955—except in the case of Bermuda shorts, where the normal kneeline will be maintained.

A sharp swing toward grass roots in national thinking may bring back the suspender button. The casual, unlined belt loop is another feature in the trend toward simplicity.

Among the changes in jacket design is a lapel buttonhole that may be closed and locked during the winter months. Jacket sleeves show a radical change with a fourth button being added for evening wear. The button may be removed during the daytime, thus providing a dual purpose ensemble for business hours.

A completely wrinkleproof vest has been developed. It is lightweight, comes in a variety of patterns, and may be welded on at the factory.

The snap brim felt hat is still a favorite. This year's model, however, has a small booster motor concealed in the crown, which gives the brim a more powerful snapping action. Operates on either AC or DC outlets.

expert. Yet a brief explanation is in keeping with our theme.

Certain noise problems arise from the flow of air or gas through nozzles. Others pertain to friction in moving parts of machinery. Cutting operations call for special analysis. Vibration is another challenge.

In the manual cited we find a summary of recommendations. These are:

"1. Study and understand your noise problems.

"2. Control noise wherever possible by the methods suggested.

"3. Stop the spread of noise away from its source.

"4. Segregate uncontrollable noisy operations and provide ear protection for those who must remain in the noisy area."

Silencing enclosures, acoustical treatment, substitute methods, and personal protection must be adapted for particular situations. Proper maintenance can reduce noise especially in the case of old machinery. Noise is usually the sign of wear. Ear plugs have been advocated for personal protection. There are many angles to their proper use. Workers must be instructed in the same. They are not an impediment to ordinary conversation at higher noise levels.

Acoustical treatment of office buildings, schools and other public structures has made great progress within the past twenty years. In a study of the effects of noise on office workers, the Aetna Insurance Co.,

showed that efficiency improved when noise was abated. Likewise in muffling industrial noise management is seeking to improve the efficiency factor. Last year \$50 million worth of acoustical material was sold. It is important to note that this is a 10 per cent increase over 1953.

Customer demand has forced manufacturers to cut down the noise of outboard motors, autos, and many appliances. A recent full page ad of Evinrude Outboard Motors states: "Gone are the strident engine noises—the raucous 'lows'—the shrill 'highs'—throughout the full range of objectionable sound frequencies . . . Gone, too, is nerve wracking vibration."

Many companies are now establishing audiometric programs. Audiometric testing is simply a method of measuring a person's ability to hear. The results become part of the worker's record. If the testing warrants medical attention, the worker is advised accordingly. The equipment is not very costly and the industrial nurse can take the audiograms. Then the company doctor can determine necessary action.

Industry must stop paying heavy penalties for noise. Through the co-operation of management, labor and the medical profession, in more extensive promotion of noise-reduction programs and audiometric testing there is strong hope that the evils of this problem will be greatly reduced.



Our Business Standards

By JOHN S. TOMAJAN

President, The Washburn Co.

I USED to think of a business as a place where people had jobs. I used to think of it as a place where technical functions were performed, where things were made and things were sold. And around those two basic tasks, numerous collateral things had to be done—such as bookkeeping, cost accounting, engineering, shipping—to name a few.

I used to think of a twenty-five-year man as a sort of antique. He was a very old man, from where I stood at age twenty-six. It was hard to understand why so much fuss was made over a twenty-five-year record.

Why honor *him*, I wondered? Wouldn't it be more to the point to congratulate the company for having lasted for twenty-five years

so that the man had a job for that length of time? What virtue was there simply in length of service?

Over my thirty-five years I have held many different kinds of jobs. And I have learned many things which were not clear to me when I started. In the first place, as my own years of service began to add up, I began to see some reason for attaching significance to a service record. Ten years ago I rounded out my first twenty-five years. *That* was a day! I was *all* for the principle of honoring one with that kind of a record!

Yes, as the years have passed, and I have been able to get beneath the surface of things, my early views have changed. They have become more mature. I have found that,

although in business we deal with things, there is much more to it than that.

First of all, let us take our outside contacts. We have customers. If *things* were all that mattered, we would need no salesmen. We would make the product, the customer would buy it and pay for it. And that would be the end of it.

But there is more to it than that. We send out our salesmen. They establish personal contacts with people who can use what we make. They impress upon these prospective customers the character of the company they represent, the quality of the workmanship of the people in that company, the dependability of the organization. They eventually convince the customer it will be to his advantage to place his order with the company.

Now in this transaction, so far, we find a combination of things. The product we make has technical value. But to carry that product to the customer—the man who will use it—brings a new set of factors into the situation—factors involving people.

EVERY one of us is a consumer. Just think of yourselves and the things you buy. For example, when you buy a suit of clothes or a pair of shoes, do you make your decision purely on a technical basis? Isn't it true that you go into a certain store because you like the way a certain sales clerk takes care of you? And

isn't your feeling about the dependability and character of the store an important factor in your final decision?

Now let us look at the inside operations of a company. There are the technical standards governing the work. For example, such things as hours of work, quality standards, engineering standards, tolerances, wages, vacation policy, sales prices, cost standards—all sorts of regulations that insure the orderly procedure within a plant. We have to have these standards. Otherwise there would be a mixed-up mess.

But in addition to these technical standards there is something else which determines whether or not a given company is a good place in which to work and to live. For, when you stop to think of it, we spend more of our waking hours at our places of work than anywhere else. It is important, therefore, that it be a *good* place—a place where people have peace of mind and can do their best work happily. These are what I call the spiritual standards. And these spiritual standards determine the spirit in which the people do their work.

When I began to work thirty-five years ago, I thought that the management of the company was responsible for everything in it. If it made a good product, the management did it. If the sales were good, the management produced them. If it was a good place to work, if the people in it were happy and con-

tented, it was because the management did it.

How wrong I was! It is not as simple as that. Management may want all these things—indeed, it *does* want them—but it takes more than management to get them.

Management has the sole responsibility for the establishment and maintenance of the technical standards. It cannot be otherwise. The purpose of technical standards is to organize the work and make it an orderly procedure. They are imposed upon the business because everyone understands that that is the only way to get an orderly operation. It is easy to see that if everyone sets his own technical standards, the result would be a hodge-podge.

BUT when it comes to the spiritual standards, management can do very little. They can be an example. But that is all. For the spiritual standards are established and maintained by all the people in the organization. These have to do with the people who work together. They apply both within and outside the organization. In the case of customers, we call it good will. In case of the community, we call it good public relations. Within the organization, we call it "family spirit." In fact, it is pretty much the same sort of thing that holds a family together, except that in the family it is supported by the blood relationship of its members. *In a business organization there is no blood relationship.*

So in its place we have the spiritual standards—the standards of conduct, of decency and good manners—which determine the atmosphere of the lives the people will lead while working there.

Many of us are heads of families. You know what I mean when I say that parents alone cannot make the family a good one. Parents want it, I know. But the people in the family—they are the ones who make or break the family reputation. It all depends on how they live and act both within and outside the family circle.

Take another example — your neighborhood. Now the city council, the city manager, and the mayor—they are the management of the city. All of them want every neighborhood to be a good one. But they can pass all the resolutions and laws in the world. It will not make your neighborhood a good one. You and your neighbors are the only ones who can do that. Your attitudes toward each other, the way you keep up your homes, the pride you have in the appearance of your neighborhood—its cleanliness, for example—the behavior of your children—these are the things that make the neighborhood, not the laws and regulations passed at the City Hall. It is the spiritual standards established and maintained by the people themselves.

It is just the same in a business organization. The board of directors does not vote to have good

spiritual standards. Nor does the management put up notices on the bulletin boards establishing standards of decency and good manners. *Spiritual standards cannot be imposed upon people. They come out of the hearts of all the people in the organization.*

If a company is a good place to work, it is only because the people in it make it so. It isn't only

the pay envelope, the hours of work, and the collateral benefits that make it a good place. I can think of some companies where I would not want to work no matter what the pay or the benefits. Every one of us, if he set his mind to it, could get a job which would pay him more. But he stays. Why? Because of the spiritual compensations where he is.

TAXPAYER'S PROFIT

Indications are that the U.S. taxpayers will soon receive a profit on the billions of dollars invested in the biggest venture in history.

Life in these United States stands a good chance of being revolutionized for the better in the near future . . .

. . . through the application of atomic energy to peaceful uses.

Real impetus was given by Congress when legislation was passed permitting industry to participate independently in atomic research and development.

Some 1,200 firms now have a stake in the atomic energy business, according to Nucleonics magazine.

More liberal regulations and licensing are seen in the future, and these 1,200 U.S. firms, guided by the free enterprise system, are already in stiff competition in developing uses for atomic energy in medicine, in science, and in industry.

And competition in the U.S. has always meant progress —fast progress for the advantage of all.



MONKEY BUSINESS

Husband (answering the telephone): "Why ask me? Call the weather bureau!"

Wife: "Who was it, dearie?"

Husband: "Some fool sailor asking if the coast is clear."

Tenant: "This roof is so bad that it rains on our heads. How long is this going to continue?"

Owner: "What do you think I am, a weather prophet?"

Husband: "Have you ever wondered what you would do if you had Rockefeller's income?"

Wife: "No, but I have often wondered what he would do if he had mine!"

Teacher: "Tommy, if I lay one egg on the table and two on the chair, how many will I have all together?"

Tommy: "Personally, I don't think you can do it."

Two soldiers in an English pub were overheard comparing notes on their relatives.

Englishman: "King John struck my ancestor on the shoulder with his sword and made him a knight."

Yankee: "So what! Chief Sitting Bull hit my grandpa on the head with a tomahawk and made him an angel."



How would you have solved this?

NOTE: To be considered for \$10 cash awards and certificates of special citation, all solutions to the problem must be postmarked no later than August 1, 1955. Address your solutions of no more than 500 words to Editor, MANAGE, 321 West First Street, Dayton 2, Ohio.

HERE IS THE NEW SUPERVISORY PROBLEM FOR AUGUST

Dick, the general foreman of an assembly department, saw Ernie, one of his line foremen, commit a serious error.

Ernie and a group of his men were standing by a conveyor belt discussing a repair in a special fixture when one of the men, in an apparent fit of temper, jabbed a screw driver through the belt.

It was an open display of wanton destruction. Yet, Ernie did nothing but walk off hastily towards the office. Dick was so amazed it took him several seconds to recover. Then he went after Ernie and intercepted him.

"Why did you ignore that?" Dick demanded.

Ernie said the worker was an officer in the union local and could make life miserable for him if he reprimanded him for something so trivial.

But Dick had a better answer and corrective action.

What would you do about Ernie?

(Remember the deadline August 1, 1955)

THIS WAS THE SUPERVISORY PROBLEM FOR JUNE

Edward, an inspection foreman for a medium sized manufacturing firm, always followed the established policies of his company.

However, there was one notable exception.

It was company policy that department heads were to interview each employee personally when the periodic merit ratings were made.

Edward thought this was a waste of time, and that his people would use favorable ratings as justifications for increases in pay. He believed the philosophy of the rating system was worthless.

Needless to say the ratings he made reflected his attitude. He thought no man should be rated excellent, superior or even above average. Consequently, he rated them average or below.

The company's personnel staff spent some time trying to educate Edward, but he brushed their efforts aside.

Without realizing it, Edward was creating discontent among his own people.

The situation was brought to the attention of Edward's superior. Currently the problem remains unsolved. What is your suggestion?

THE WINNERS

The following are the best solutions to the supervisory problem for June. The winners have received checks for \$10 each and a handsome two color Merit Award certificate suitable for framing.

A SEVEN-POINT PROGRAM

By T. W. Bishop Jr., Hughes Tucson Management Club, Tucson, Ariz.

As Edward's superior, I must take immediate steps to correct this situation. If I offer the help he needs, and Edward will accept it, the best interests of both company and employees will be served. Otherwise he must receive disciplinary action through loss of his foreman's status, transfer to another area, or a special assignment without supervisory responsibilities.

He has created a problem for the company through the discontent of his own people by not providing merit ratings suitable for guidance in promotional and pay increase decisions. By willfully using his own rating system which conflicted with company policy he appears to regard his own judgment as superior to that of top management. His rejection of the efforts of the personnel staff is proof that he did not recognize the gravity of his error.

Edward is either too egocentric for sound supervisory thinking or the victim of his own feelings of insecurity. His behavior could certainly be construed as that of a confirmed bigot. But I believe the balance of his record refutes this conclusion.

As an inspection foreman, he has always followed other company policies and he did not realize that he was creating discontent. There is no criticism of his personal work output or departmental job knowledge. His trouble is a chain of psychological factors. Lack of self-confidence has created insecurity. Being insecure, he fears his own people. Lack of insight has prevented him from recognizing that his own shortcomings have compelled him to persist in his belief that the philosophy of the rating system is worth-

less. It is my duty to provide the counsel he needs in the hope he will accept it.

Edward has not had the supervisory training he requires for this job. Nor has he had adequate guidance from management. As his superior my first step (on recovering from my own embarrassment) is to resolve to correct my own laxity. I should have detected and remedied this situation before it became obvious to so many others.

The company has a considerable investment in Edward through his knowledge of policies, methods, procedures and job duties. His highest utility is in his present capacity, providing we can eliminate this situation. After a private and very frank discussion, I would tell him that he may remain in his present position, on the condition that he accept the following:

1. He would make out his individual merit rating(s) which (with my concurrence) would be the basis(es) for any pay increase(s) or advancement he could expect.
2. His merit ratings of his people, submitted for my review, would be consistent with the plant average and justified by the work output of his people.
3. Without delay, he must indicate to his people in his own way that incentive will be recognized.
4. Evidence of general discontent and low morale must disappear.
5. He will not be on probation, but breach or failure will terminate our understanding.
6. Agreement with the soundness of my suggestion that he take advantage of a training course or available literature, (on an entirely voluntary basis).
7. The requirement that our mutual conclusions would be kept absolutely confidential.

From here on out it's up to Edward.

SELL EDWARD

By Raymond E. Krembelmer, Chrysler Corp., Detroit, Mich.

Edward's philosophy that merit ratings are worthless reminds me of the old adage "Don't do as I do, do as I say" which in its essence is a disease. Also, his line of thinking that favorable ratings would be used as a basis for increases denotes a weakness of character, not only in evaluating a man's worth, but, an inferiority complex that tends to make him unstable inasmuch as he may be afraid of his own job.

The personnel staff, in their efforts to guide Edward's thinking in a manner that would give him an open mind without embarrassment, has apparently been exhausted. Now discontent has set in among his employees which could ultimately cost him his job. Consider the following facts:

- A. Edward has been performing his job in a satisfactory manner both in production quality and quantity.
- B. The rules and policies are being carried out to the best of his ability.
- C. He has attained most of his leadership qualities.

I, as his superior, would endeavor to "sell" Edward by way of reminding him that his position of foreman was gained through the same method that he is presently denying others; that as a representative of management he has obligated himself to a Code of Ethics by which he must apply the "Golden Rule" and finally, the discontent he is creating by his biased attitude will be reflected in the quality and quantity output of those whom he supervises.

I use the term "sell" because to order Edward to evaluate his subordinates through the merit rating system would be as disastrous as allowing him to continue with his present attitude.

LAY IT ON THE LINE

By E. K. Schaefer, Valparaiso, Ind.

The clue to the answer to this problem is in the third paragraph in the definition of the problem. "It was company policy."

Policy is generally defined as a guide to action, and of course it can be assumed that the policy of this particular company was considered a legitimate guide to action. Edward, as one cog in the wheel, must consider the policy as such and follow it to the best of his ability. This is only one of the many ways that he would be a good supervisor for his firm.

Inasmuch as the personnel staff has already spent some time attempting to educate the foreman under the merits of the rating system, it would seem that the next step is for his superior to look into the matter personally. After all, it is the superior's responsibility that Edward

follow the policy and the superior could be held accountable for Edward's lack of cooperation.

This matter is serious enough that it could be "laid on the line" to the foreman that it was a matter of revising his thinking or accepting the consequences. Naturally, this would be the last resort since every effort should be made to fully and completely explain the reasoning for the policy and the benefits of it.

Possibly one good way to bring out the need for the policy is to point out to Edward the fact that he very likely had been rated by the same system before he became a foreman, or at least his rating as a foreman would be directly affected by his almost juvenile attitude toward a proven and accepted procedure.

The matter would boil down to a clear cut approach to the problem by the superior as outlined above.

More Than a Host

Serving your guests mint juleps properly is an art. To make a good impression, the first round should be a work of art.

Lightly maul selected mint leaves along with powdered sugar in the bottom of heavy silver mugs. Touch the brim lightly with fresh lemon and fill with crystal-clear ice chips. Slowly add the finest bourbon to taste, sprig with mint leaves, and sprinkle with snowy sugar. Serve heavily frosted and sip slowly.

For the second round slush bourbon over what is left in the cups, add an ice cube and a few mint leaves. Drink.

The third round can be served in jelly glasses. Bourbon, ice, mint, and easy on the ice. Gulp.

If a fourth round is necessary, go back to the original procedure. Lightly maul your guests' mugs with powdered sugar, chip the crystal-clear jelly glasses, springle with bourbon, and sprig yourself with mint. Drink lying down.



The Foreman's Club of Greater Cincinnati recently presented 247 certificates to management men who completed courses of study in the club's Sixth Annual Educational Institute.

The certificates were awarded to 237 men who attended at least 12 of the 16 hours of instruction. They represented 41 companies.

The seven courses offered at the Institute this year were: "Psychology of Managing Men," "Responsibility of the Foreman Under Collective Bargaining," "Principles and Application of Time and Motion Analysis and Principles of Incentive Systems," "Essentials of Accident Prevention in Industry," "Coordinating the Personnel and Supervisory Functions," "Techniques of Training," and "Application of Training Techniques."

Cooperating with the club were the Cincinnati Industrial Institute, Cincinnati Personnel Association, Cincinnati Chapter, American Institute of Industrial Engineers; Cincinnati Chapter, American Society of Safety Engineers; Cincinnati Chapter, American Society of Training Directors; Cincinnati Chapter, So-

ciety for the Advancement of Management, and the Department of Trade and Vocational Education of the State of Ohio.

The 97-member Lockheed Eastern Management Club, Idlewild Airport, Jamaica, New York, has adopted an eight-year-old Navajo Indian girl through the "Save the Children Federation." The girl, attending the Tohatchi Boarding School, Tohatchi, New Mexico, is receiving support from the club and children of club members are writing and sending gifts to the girl. One of five children in a broken home, the Indian girl now has 97 new "fathers" and several hundred new "brothers and sisters."

Dr. E. F. Scouten, director of industrial relations for the Maytag Co., spoke before the Tulsa Management Club recently on the Guaranteed Annual Wage.

G. R. Arterberry, NAF national director, presented the Sylvania Management Club of Shawnee, Oklahoma with its charter and installed the club's officers.

The officers are: F. D. Sears, president; R. W. Payne, vice president; Perry Haddock, secretary, and Mack Shelton, treasurer.

New officers of the PAA Management Club at Miami, Fla., were installed by Robert Bush, NAF national director. They are: R. N.

Harbottle, president; S. M. Weaver, vice president; Kent Stratford, secretary, and A. T. King, treasurer.

The Foremen's Club of Columbus, Inc., has awarded scholarships amounting to \$150 to two Columbus high school seniors. The awards are made annually to male students from graduating classes in Columbus high

schools who have at least three credits in Industrial Arts. Winners are selected for their scholastic standing, leadership, school citizenship and by screening with a test designed by the club.

Speaker at "Scholarship Night" was Leonard E. Reed, president of The Foundation for Economic Education Inc.

NAF Calendar

AUGUST 22-26, 1955

Management Unity Seminar
..... Dayton, Ohio

SEPT. 28-29-30, 1955

32nd Annual NAF Convention
..... Fort Worth, Texas

OCTOBER 1, 1955

Board of Directors Meeting
..... Fort Worth, Texas

OCTOBER 17-21, 1955

Management Unity Seminar
..... Dayton, Ohio

DECEMBER 12-16, 1955

Management Unity Seminar
..... Dayton, Ohio

JANUARY 25-26-27-28, 1956

Board of Directors Meeting
..... Kansas City, Kansas

FEBRUARY 4, 1956

St. Louis Area Council Conference
..... St. Louis, Mo.

MAY 12, 1956

Regional Conference
..... Syracuse, N. Y.

NEW CLUBS

American Airlines Administrative Association of Texas

American Airlines, Inc.
Amon Carter Field
 Ft. Worth, Tex.

Rustless Division Management Club

Armco Steel Corp.
Baltimore Works
Baltimore, Md.

E.R.A. Management Club
Engineering Research Associates, St. Paul, Minn.

Alexandria Foremen's Club
Alexandria, Ind.

Selma Management Club
Selma, Ala.

Miami Valley Aviation Management Association
Dayton Municipal Airport
Vandalia, Ohio

Eagle Signal Supervisor's Club
Eagle Signal Corp.
Moline, Ill.



"... So here is a gold watch for your 'stick-to-it' ability! Forty years ago you started at the bottom of the ladder and you're still there."

It's more interesting than you think being

A Shoe Clerk

By Bernard Garland

THE OTHER day I had occasion to go by the shoe department in a large department store early in the morning. I just happened to notice a little mouse of a man trying some shoes on a big fat woman. That evening, I had to go by the same shoe department again. The same little man was still there selling shoes—this time to an old man with a beard. Some strange impulse made me stop and speak to the little fellow.

"Listen," I said. "Don't you get rather tired of staying here in the same place and doing the same thing all day? I passed by here this morning and you were selling shoes. Here you're still selling shoes some nine hours later. Don't you ever get tired? Doesn't it ever get monotonous?"

He looked at me straight through his little glasses. I say little glasses because his eyes were so big that the rimless glasses he wore seemed small. Maybe his eyes looked big because they were wide open. I couldn't distinguish whether his expression was one of surprise or hor-

ror, but finally I decided that it was one of amazement, possibly even of pity.

"Yes, I get tired, friend," he said. "But there is no monotony. This is a very variable job. By the way, what do you do?"

"I'm an insurance man," I told him. "I'm district manager for this territory. I go around everywhere. I see different places all the time and all kinds of people. I don't see how you can stand to be cooped up here all day."

I was quite sure that his expression was one of pity by then. "You don't understand, my friend," he smiled. "I see all sorts of people, too, and I don't have to go running around to find them. They come to me. And I have adventures, too. Oh, yes. You think being a shoe clerk is dull? Well, how about the time I found a baby alligator packed in a box of sandals just in from Florida? And I do get around a bit, too. You see, we have a national convention of shoe salesmen every year in a different city. And I go

frequently on buying trips all over the country."

His eyes were getting bigger, and they sparkled now. I began to wonder why insurance men lead such a dull life.

"But people. What about people?" I asked him.

"People?" he said. "Oh, I meet all kinds of people. I have special people and families that insist on my personal services only. I get to know them very well, and I like them. And I get lots of gifts at Christmas, too. People remember when they are pleased. I have lots of kiddies trade with me. They always bring more business when they come back. And I see lots of people I don't even know—some of them I get acquainted with. Take, for example, the beautiful girl who used to eat in our cafeteria every day. I noticed her especially because her hair was always rolled in such a pretty ball at the back of her head. I just handed her a little slip one day stating that I would give her a pair of hose free with every pair of shoes she purchased from me. There was no law against that. I could make a special sale if I wanted to. Anyway, she came over. She's my wife now."

I was about convinced by now. I was ready to apologize and meekly leave. But the little man put his hand on my arm.

"Wait just a minute longer, my friend," he said. "While we are talking, I'd like to mention just one or

two little excitements, adventures if you will call them so, that have happened right here. You saw the stout lady here this morning, I guess. Well, she got stuck in a seat the first time she came here. Now, because I had a special wide seat built for her, she buys all her shoes here and pays me ten per cent extra. And the old gentleman with the beard that left as you came up. Just the other day he caught his beard on fire with his cigar lighter and was very grateful that I put it out for him. As a reward, he has offered to buy me a life insurance policy." The little man paused thoughtfully. "By the way, didn't you say that you were an insurance man? Well, come by when I have time and maybe I'll buy it from you. I'll give you the old man's name, too, if you want it. He owns a large fleet of trailer trucks. Maybe you can sell him some insurance."

Maybe I could! I was planning already. But my clerk was going on. "But I must tell you about the funniest incident and perhaps the most serious, too," he was saying. "It was one day that a small boy was in here with two white mice in a little cage. One of our girl clerks got so nervous that she put back on the shelf a shoe box the boy had set on the counter. The sad part was that it was full of spiders, and we did have a time for a while."

But about then the little man saw a customer approaching.

"Well, friend, I enjoyed talking

to you," he beamed, as he turned to go. Then, as an after thought, he paused. "Er, if you like things from distant places, we have some imported genuine Australian kangaroo leather shoes that might interest you.

"Come in again," he said, as he

started off, "and we'll talk about that insurance policy."

And then he was gone. He was smilingly leading the new customer to a seat.

I swear I'll never pre-judge a man again—nor his occupation. Never!

Triple Time

CLOCK makers have come up with a new model that runs for three years without winding.

The answer to how a clock can store enough energy to run that long lies in fine power springs of high carbon steel plus ingenious ways of holding them in check. Uncoiling is governed by a pendulum that circles left and right on a horizontal plane. Where an ordinary watch ticks and tocks 300 times per minute, this pendulum makes only about six to ten oscillations.

But clock makers found that temperature changes upset the pendulum's pace. After experimenting unsuccessfully with numerous gadgets to offset these changes, they took another look at the suspension spring itself and found that using a spring of special nickel-alloy steel, compensated for temperature changes.

The first successful suspension spring of this type for 400-day clocks was introduced by the Horolovar Co., Bronxville, N. Y., which reports they are now exporting the clocks to Germany, where clockmaking is a centuries-old craft.

Lincoln was a man of few words but great deeds. He wrote his complete autobiography for "The Dictionary of Congress" in 46 words. This is what he put down about himself:

"Born Feb. 12, 1809, in Hardin county, Kentucky. Education, defective. Profession, a lawyer. Have been a captain of volunteers in Black Hawk War. Postmaster at a very small office. Four times a member of the Illinois Legislature and a member of the lower house of Congress."



"That was very considerate, dear, and I think you should take back all the nasty things I've heard you say about stewards."

Management Weaknesses

PROCRASTINATING or "fence-sitting" management can ruin a company as quickly as an inferior product, according to John A. Patton, Chicago management engineer.

Patton believes the procrastinating type management allows destiny to guide its future because "it doesn't have the courage to take action." He cited as being typical of thousands of businesses today, the case of the machine company whose president was a finance man.

"He had no conception of the production phases of the business, so the superintendent had him over a barrel. Actually, what happened was that the superintendent was controlling the destiny of the company. If the superintendent didn't approve of a decision, through the various loyalties he had cultivated in the shop, he was able to disrupt the entire production of the plant."

For this reason, Patton maintains, executives should continuously survey their plants with this thought in mind: Do not let one man become irreplaceable.

Other weaknesses of management as noted by Patton, are:

1. Some managements think that wages alone determine cost. "In general," Patton said, "I have found those companies whose employees have the highest take home pay, have the least cost." In a survey which Patton made recently among 20 companies with 200 to 5,000 employees which had the highest take home pay in their industries, he found: In 1943, these 20 companies, on the average, controlled 2 per cent of the business in their respective industries. In 1955, they averaged 12 per cent of the business.

2. Weak managements want to pay as little as possible for top personnel, when in many cases the difference between mediocrity and the best is only \$1,000 to \$1,500 a year.

3. Too many management executives have not accepted the fact that labor is here to stay. In 1930, Patton pointed out, 3 million workers were organized; in 1940, 10 million were, and in 1950, 18 million were. Today almost half of the nation's labor force is organized. In addition, the executive councils of the A.F. of L. and the C.I.O. have approved a merger of the two labor giants. Management should take a "common

sense" view of this situation and stop spending huge sums to turn back the inevitable, he advised.

4. Ninety-five per cent of today's supervisory staff members were once on a machine or bench, and were not selected for leadership qualities, but for production prowess. *He cited the fact that his management engineers consider lack of supervisory training and ignorance of human relations on the part of foremen major obstacles in successfully completing their jobs.*

Patton also contrasted the ability

of the shop steward to get along with workers, because he is chosen democratically and is a natural leader, as against the foreman who may be the best producer. He added: "Some managements are 50 years behind the times in recognizing that supervisors, whom the workers feel have their interests at heart, are the quickest to gain worker cooperation and loyalty."

5. To be successful, companies must first realize that it's people who make or break them, and that the product is the end result, Patton said.

Electrical Boom

The electrical utility industry has been warned that it must be prepared for a one-billion-dollar annual increase in household electricity business within 10 years.

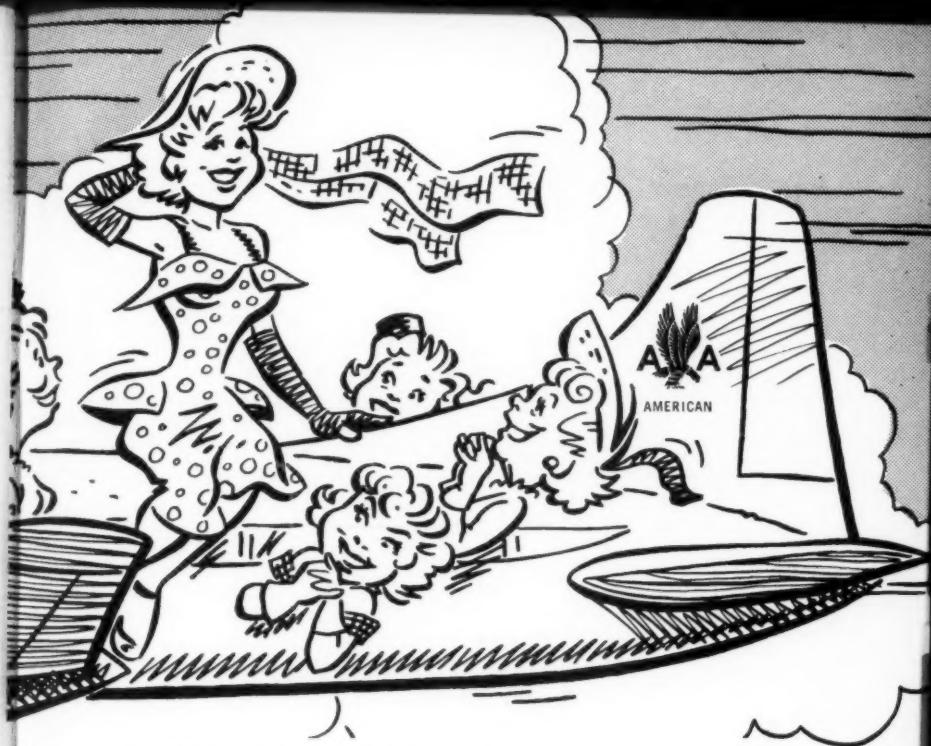
The warning came from John W. Evers, president of the Commonwealth Edison Co., at the 17th annual American Power Conference in Chicago, Ill.

Evers bases his prediction on figures used by President Eisenhower in his recent economic message.

He called some of the predictions by leaders in the industry "a bit fantastic" but he added that recent experiences of Commonwealth Edison in two areas—nuclear power and automation—indicate "there is more truth than fantasy in these predictions."

"Our diplomacy should be used as a weapon against World Communism and our message to their captive peoples would contain the hope for their eventual freedom. Our message of truth should tell the world the truth about Communist objectives, methods and practices as well as the truth about ourselves."—*Brig. Gen. David Sarnoff, board chairman of the Radio Corporation of America.*

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YOU WON'T WANT TO MISS THE
"STYLE SHOW IN THE AIR"
DURING THE NATIONAL CONVENTION.

It'll be on Friday, September 30th. Imagine, a 30-minute ride over Fort Worth on an American Airlines plane plus a showing of the latest styles by Meacham's lovely models. All for less than \$5 a person. (This is an extra event—not included in convention registration). Let us know if you plan to be aboard so we can schedule enough airplanes. P.S. It's for women only.

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By all means save me a seat on the plane for the "Style Show in the Air."

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Send no money—pay when you register

I Believe....

By Elbert Hubbard

I believe in the stuff I am handing out, in the firm I am working for, and in my ability to get results.

I believe that honest stuff can be passed out to honest men by honest methods.

I believe in working, not weeping; in boasting, not knocking; and in the pleasure of my job,

I believe that a man gets what he goes after, that one deed done today is worth two deeds tomorrow, and that no man is down and out until he has lost faith in himself.

I believe in today and the work I am doing, in tomorrow and the work I hope to do, and in the sure reward which the future holds.

I believe in courtesy, in kindness, in generosity, in good cheer, in friendship, and in honest competition.

I believe there is something doing, somewhere, for every man ready to do it.

I believe I'm ready—right now!

